

8300 Greensboro Dr.
Suite 1200
McLean, VA 22102

(703) 584-8678
WWW.FCCLAW.COM

LNGS | LUKAS,
NACE,
GUTIERREZ
& SACHS, LLP

Stamp & Return

US BANK/FCC JUL 22 2013

Writer's Direct Dial
(703) 584-8661
dnace@fcclaw.com

July 19, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Attn: Jodie May, Competition Policy Division
Wireline Competition Bureau

Re: Joint Application for Transfer of Control of Domestic and International
Section 214 Authorizations from The Livingston Telephone Company and
Telcom Supply, Inc. to USConnect Acquisitions I, Inc., and ultimately
USConnect Holdings, Inc.

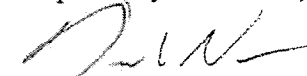
Dear Ms. Dortch:

Transmitted herewith is a Joint Application for the transfer of control of domestic and international Section 214 authorizations pursuant to Section 214 of the Communications Act and Section 63.04(b) of the Commission's rules. The application requests authorization for the transfer of control of The Livingston Telephone Company and Telcom Supply, Inc. to USConnect Acquisitions I, Inc. and ultimately USConnect Holdings, Inc. The applicants request streamlined processing of this application. A fee transmittal form, FCC Form 159, is submitted with the application showing payment of a filing fee of \$1,050.00.

This application is also being filed electronically in the IBFS filing system for processing by the International Bureau. A separate FCC filing fee will be paid with the submission.

If any questions arise please communicate with this office.

Respectfully submitted,



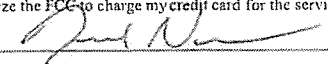
David L. Nace
Robert S. Koppel

*Counsel to USConnect Holdings, Inc. and USConnect
Acquisitions I, Inc.*

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page No. 1 of 1

(1) LOCKBOX # 979091		SPECIAL-USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Lukas, Nace, Gutierrez & Sachs, LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,050.00	
(4) STREET ADDRESS LINE NO. 1 8300 Greensboro Drive			
(5) STREET ADDRESS LINE NO. 2 Suite 1200			
(6) CITY McLean		(7) STATE VA	(8) ZIP CODE 22102
(9) DAYTIME TELEPHONE NUMBER (include area code) 703-584-8678		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003746385		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME The Livingston Telephone Company			
(14) STREET ADDRESS LINE NO. 1 701 W. Church Street			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Livingston		(17) STATE TX	(18) ZIP CODE 77351
(19) DAYTIME TELEPHONE NUMBER (include area code) 936-327-4309		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0003738739		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID Section 214 Authorization	(24A) PAYMENT TYPE CODE CDT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,050.00	(27A) TOTAL FEE \$1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION B - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <u>X</u> AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE 		DATE 7/19/2013	

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

THE LIVINGSTON TELEPHONE COMPANY
(FRN 0003738739)

And its subsidiary:

TELCOM SUPPLY, INC.
(FRN 0004974598),

Transferors

AND

USCONNECT HOLDINGS INC.
(FRN 0022834212)

And its subsidiary:

USCONNECT ACQUISITIONS I, INC.
(FRN 0022834246),

Transferees

Joint Application for Transfer of Control of
Section 214 Authorizations for
Domestic and International
Telecommunications Authorizations

WC Docket No. _____

File No. ITC- _____

JOINT APPLICATION

The Livingston Telephone Company ("LTC"), on behalf of its shareholders, and LTC's wholly owned subsidiary, Telcom Supply, Inc. ("TSI") (jointly, the "214 Holders" or "Transferors"), and USConnect Holdings Inc. ("USConnect") and its subsidiary USConnect

Acquisitions I, Inc. ("USConnect Acquisitions") (jointly, the "Transferees"), hereby request approval of the Federal Communications Commission ("Commission") pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Sections 1.763, 63.03, 63.04, 63.18, and 63.24(e) of the Commission's rules, 47 C.F.R. §1.763, 63.03, 63.04, 63.18, and 63.24(e), to transfer control of the Section 214 authorizations from the Transferors to the Transferees. All parties are collectively referred to herein as the "Applicants."

I. Combined Application to Transfer Control of Domestic and International Section 214 Authorizations

Under Section 63.04(b) of the Commission's rules, the Applicants are filing a combined domestic and international application for the transfer of control of the Section 214 authorizations of the Transferors to the Transferees.

This application does not qualify for streamlined processing under applicable rules.

II. Applicants

A. The Livingston Telephone Company

LTC is a Texas corporation formed in 1903. Its headquarters address is 701 W. Church Street, Livingston, TX 77351. LTC is authorized by the Public Utility Commission of Texas ("PUC") to provide local telephone service as the incumbent local exchange carrier in certain exchanges in Polk County, Texas..

LTC is held by 49 shareholders. The 10% or greater owners of LTC are:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Sidney & Edythe Smith Family Partnership, LTD 30%* 701 W. Church Street Livingston TX 77351	18.08%	US	Investment

Mary Alice Wise** 701 W. Church Street Livingston TX 77351	11.15%	US	Investment
--	--------	----	------------

*Fred Smith and Robert Smith, sons of Sidney & Edythe Smith, each own an additional 5.54% in their individual capacity.

** Charles Wise and Mary K. Wise, children of Mary Alice Wise, each own an additional 2.45% in their individual capacity, and each hold (and vote) an additional 6.19% in individual trusts.

B. Telecom Supply, Inc.

TSI, a wholly-owned subsidiary of LTC, is a corporation organized under the laws of Texas. Its headquarters address is 701 W. Church Street, Livingston, TX 77351. TSI has authority from the Commission to provide interstate and international telecommunications services.¹ TSI currently provides interstate and international telecommunications services and markets its services in the state of Texas solely within the local exchange service areas of its parent company, LTC.

C. USConnect Holdings Inc.

USConnect is a Delaware corporation formed on March 4, 2013. Its address is 1000 Elm Street, Suite 1901, Manchester, NH 03101. USConnect was created to purchase and operate rural local exchange carriers. The operations and management of the USConnect will be led by experienced telecommunications executives. In addition, each of USConnect's major equity shareholders is a company, or an affiliate of a company, which has extensive experience in the telecommunications industry.

¹ TSI also holds Commission authority for the following: WQMC622 (3650 – 3700 band operations); broadcast licenses for KETX-LP, KETX, and KETX-FM; and broadcast auxiliary licenses KEH293 and KK2706. Applicants are simultaneously filing the appropriate FCC Forms seeking approval for the transfer of control of these licenses.

D. USConnect Acquisitions I, Inc.

USConnect Acquisitions is a corporation recently formed under Delaware law for the purpose of acquiring the shares of LTC in the transaction described in Section III of this application. Its address is 1000 Elm Street, Suite 1901, Manchester, NH 03101. USConnect Acquisitions is a wholly-owned subsidiary of USConnect.

III. Description of the Transaction

LTC, USConnect and USConnect Acquisitions have entered into an Agreement and Plan of Merger ("Agreement") whereby USConnect Acquisitions will be merged with and into LTC, and LTC shall be the surviving corporation (the "Transaction"). Consummation of the Transaction is contingent upon receipt of Commission approval .

Following closing (1) LTC will continue to operate as an incumbent local exchange carriers serving the same exchanges, and using in its operations the same assets, as it did prior to the closing and (2) TSI will continue to operate as a provider of interexchange and resold international services to the customers of LTC.

IV. Public Interest Statement

The Transaction furthers the public interest, convenience and necessity. LTC has served residential and commercial customers in the Livingston area in Texas for over 100 years. TSI has served these customers for 30 years. USConnect possesses the requisite financial and managerial resources to maintain, and improve, the services provided by LTC and TSI.

A. Continued Provision of High-Quality Service is Ensured

Following the Transaction, LTC will continue to provide local exchange service to its customers, and TSI will continue to provide interexchange service to its customers. Further, USConnect will bring greater financial resources to LTC and TSI.

Customers will be notified of the transaction as required by the applicable state and federal laws and regulations.

B. No Anti-Competitive Issues are Present

The Transaction does not present any anti-competitive issues. TSI's total market share, combined with that of equity owners of USConnect is less than ten percent (10%) of the interstate interexchange and international telecommunications markets. There remain numerous other interexchange carriers operating in the Texas areas where TSI will continue to market its services.

In summary, the Transaction has no potential to harm the public interest and is expected to preserve and increase competition in the domestic and international telecommunications markets.

V. Information Required by Section 63.24(e) of the Commission's Rules for a Transfer of Control Section 214 Authorizations

In furtherance of this application the Applicants submit the specific information pursuant to Section 63.24(e) of the Commission's rules. The following paragraphs refer to Sections (a) through (d), and (h) through (p), of Section 63.18.

(a) Name, address and telephone number of Applicants:

214 Holders:

The Livingston Telephone Company
Telcom Supply Inc.

701 West Church Street
Livingston, TX 77351
Attn: General Manager
Tel: (936) 327-4309

Transferees:

USConnect Holdings, Inc.
US Connect Acquisitions I, Inc.

1000 Elm Street, Suite 1901
Manchester, NH 03101
Attn: William E. King
Tel: (603) 622-0379

- (b) Each of the 214 Holders is a corporation organized under the laws of Texas.

USConnect Holdings, Inc. is a corporation organized under the laws of Delaware.

USConnect Acquisitions I, Inc. is a corporation organized under the laws of Delaware.

- (c) Correspondence concerning this application should be sent to:

For the 214 Holders and Transferors:

The Livingston Telephone Company
701 West Church Street
Livingston, TX 77351
Attn: General Manager

With copies to:

Naman, Howell, Smith & Lee, PLLC
8310 N. Capital of Texas Hwy. – Suite 490
Austin, TX 78731
Attn: Keith E. Gamel, Esq.
Tel: (512) 479-0300
E-mail: gamel@namanhowell.com

Sylvia Lesse, Esq.
Communications Advisory Counsel, LLC
2154 Wisconsin Avenue, NW
Washington, DC 20007
Tel: (202) 333-5273
E-mail: sylvia@independent-tel.com

For the Transferees:

USConnect Holdings, Inc.
1000 Elm Street, Suite 1901
Manchester, NH 03101
Attn: William E. King
Tel: (603) 622-0379
E-mail: bking@jsicapital.com

With copies to:

Sheehan Phinney Bass + Green PA
1000 Elm Street
Manchester, NH 03101
Attn: Michael J. Drooff, Esq.
Tel: (603) 627-8167
E-mail: mdroff@sheehan.com

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Email: dnace@fcclaw.com

(d) (i) TSI holds an international Section 214 authorization for global resale, File No.

ITC-214-20001026-00630, granted December 7, 2000. LTC and TSI hold blanket domestic Section 214 authority to provide domestic telecommunications services.

(ii) Neither of the Transferees currently provides telecommunications services and neither holds any Section 214 authorization.

(h) As described above, USConnect owns 100% of USConnect Acquisitions. The following entities and individuals will hold a ten percent (10%) or greater attributable interest in USConnect when the Transaction closes. The preferred stock shareholders of USConnect, as a group, will hold 90% of the voting power.

(i) Brazoria Telephone Company ("Brazoria") will own 19.2857% of the preferred stock of USConnect and have a 17.357% voting interest in USConnect.² Brazoria is a corporation organized in the state of Texas,

² Brazoria contemplates holding its interest in USConnect through an affiliated company and/or the Hendrix Family Trust. The beneficiaries of the Hendrix Family Trust are Kathryn Ann Goolsby, John Hendrix Greenberg, Gail Marie Rodgers, Debra Lynn Rasco, Lisa Suzette
(continued on next page)

and its address is PO Box 2008, Brazoria, TX 77422-2008. Brazoria's principal business is telecommunications.].

(ii) Dickey Rural Telephone Cooperative, Inc. ("Dickey") will own 19.2857% of the preferred stock of USConnect and have a 17.357% voting interest in USConnect. Dickey is a corporation organized in the state of North Dakota, and its address is Box 69, Ellendale, ND 58436-0069. Dickey's principal business is telecommunications.

(iii) FTC Management Group, Inc. ("FTC") will own 19.2857% of the preferred stock of USConnect and have a 17.357% voting interest in USConnect. FTC is a corporation organized in the state of South Carolina, and its address is PO Box 588, Kingstree, SC 29556-0588. FTC's principal business is communications.

(iv) Golden West Telecommunications Cooperative, Inc. ("Golden West") will own 19.2857% of the preferred stock of USConnect and have a 17.357% voting interest in USConnect. Golden West is a corporation organized in the state of South Dakota, and its address is PO Box 411, Wall, SD 57790-0411. Golden West's principal business is telecommunications.

(v) Horry Telephone Cooperative, Inc. ("Horry") will own 19.2857% of the preferred stock of USConnect and have a 17.357% voting interest in

Greenberg, Edith Pamela Chatagnier, and Robert Lewis Pewitt II. Each beneficiary holds a 1/7th interest in the Hendrix Family Trust, and each beneficiary is a shareholder of Brazoria. In the event that Brazoria does not directly hold its interest, this application will be amended to provide details or, if this application is granted in the meantime, a notification of a *pro forma* transfer of Brazoria's ownership interest will be submitted.

USConnect. Horry is a corporation organized in the state of South Carolina, and its address is PO Box 1820, Conway, SC 29528-1820.

Horry's principal business is telecommunications.

In addition to preferred stock issued by USConnect there will be common stock whose holders will have 10% of the voting power. While no common stockholder will hold as much as a 10% interest in USConnect, Leo Staurulakis and Manny Staurulakis, who are brothers principally engaged in the telecommunications consulting business, each own 1/3 of the common stock of USConnect, and jointly own MLStar, LLC, a limited liability company organized in Virginia, that will own 3.6% of the preferred stock of USConnect. Both are United States citizens with the following business address: 7852 Walker Drive, Suite 200, Greenbelt, MD 20770. Section 63.18(h) also calls for disclosure of any interlocking directorates with a foreign carrier. Transferees and their affiliates have no interlocking directorates with a foreign carrier.

(i) Section 63.18(i) calls for a certification as to whether or not the applicant is, or is affiliated with, a foreign carrier. Transferees hereby certify that neither is a foreign carrier and neither is affiliated with a foreign carrier.

(j) Section 63.18(j) calls for a certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true:

(1) *The applicant is a foreign carrier in that country.* Transferees hereby certify that neither is a foreign carrier in any destination country.

(2) The applicant controls a foreign carrier in that country. Transferees hereby certify that neither controls a foreign carrier in any destination country.

(3) Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country. Transferees hereby certify that no entity that controls a foreign carrier in any destination country owns more than 25 percent of either of the Transferees.

(4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States. Transferees hereby certify that the foregoing statement is not true as relating to each Transferee.

(k) Section 63.18(k) calls for one of certain showings by the applicant for any destination country listed by the applicant in response to paragraph (j). Based upon Transferees' certifications in response to Section 63.18(j), no showing is required of Transferees in response to Section 63.18(j).

(l) In response to Section 63.18(l), Transferees do not propose to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier.

(m) Transferees hereby respond to Section 63.10(m) by confirming that neither is a foreign carrier, and neither is affiliated with a foreign carrier. Transferees satisfy the

requirements of Section 63.10(a)(1) to be presumptively classified as “non-dominant” for the provision of international communications services.

- (n) Transferees certify that neither has agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) With reference to §§ 1.2001 through 1.2003 of the Commission’s rules, Applicants certify that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853a.
- (p) Applicants request streamlined processing of this application pursuant to Section 63.03(b)(2)(iii) of the Commission’s Rules. Consummation of the proposed transaction would result in a market share in the interstate, interexchange market of less than 10% among Transferees and their affiliates. Similarly, the local exchange affiliates and subsidiaries Transferees would have, collectively, fewer than 2% of the subscriber lines installed in the aggregate nationwide. Finally, the transaction would result in no new overlapping or adjacent local service areas

VI. Additional Information Required by Section 63.04(b) of the Commission’s Rules or Assignment/Transfer of Control

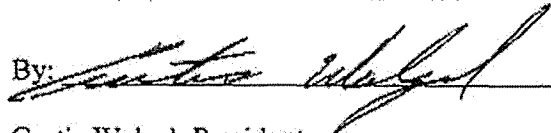
In response to requirements of Section 63.04(b) of the Commission’s rules, the additional information required by Sections 63.04(a)(6) through 63.04(a)(12) is provided in Exhibit A to this application.

VII. Conclusion

In view of the foregoing, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this application.

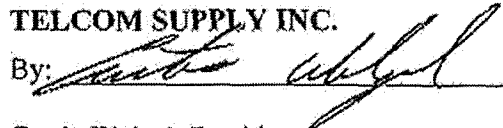
Respectfully submitted,

THE LIVINGSTON TELEPHONE COMPANY
on behalf of its shareholders

By: 
Curtis Walzel, President

Date: 7-19-13

TELCOM SUPPLY INC.

By: 
Curtis Walzel, President

Date: 7-19-13

USCONNECT HOLDINGS, INC.

By: _____

Name & Title _____

Date: _____

USCONNECT ACQUISITIONS I, INC.

By: _____

Name & Title _____

Date: _____

Respectfully submitted,

THE LIVINGSTON TELEPHONE COMPANY
on behalf of its shareholders

By: _____

Curtis Walzel, President

Date: _____

TELCOM SUPPLY INC.

By: _____

Curtis Walzel, President

Date: _____

USCONNECT HOLDINGS, INC.

By: _____

Name & Title WILLIAM KING, PRESIDENT

Date: JULY 19, 2013

USCONNECT ACQUISITIONS I, INC.

By: _____

Name & Title WILLIAM KING, PRESIDENT

Date: JULY 19, 2013

Exhibit A

Information Required by Sections 63.04(a)(6) through 63.04(a)(12)

Pursuant to Section 63.04(b) of the Commission's rules, Applicants provide the following information in connection with the proposed transfer of control:

§63.04(a)(6) – Description of the Transaction

The Transaction is summarized in Section III of the Application.

§63.04(a)(7) – Description of the Geographic Service Area and Services in Each Area

Descriptions of the geographic service areas and the services provided in each area are provided in Section II.A. and Section II.B. of the Application.

§63.04(a)(8) – Presumption of Non-Dominance and Qualification for Streamlining

Applicants request streamlined processing of this application. See Section V(p) above.

§63.04(a)(9) – Other Pending Commission Applications Concerning the Subject Transaction

(1) In a separate application filed on the appropriate FCC Forms, Applicants request consent to transfer control of the licenses held by TSI, as described in footnote 2 above.

§63.04(a)(10) – Special Considerations

None

§63.04(a)(11) – Waiver Requests

None

§63.04(a)(12) – Public Interest Statement

The Transaction is in the public interest for the reasons stated in Section IV of the Application.